

GOVERNMENT OF INDIA
MINISTRY OF PORTS, SHIPPING AND WATERWAYS

LOK SABHA
UNSTARRED QUESTION NO. 4758
ANSWERED ON 20.03.2026

REVIVAL OF SHIPBUILDING INDUSTRY

4758. SHRI RAO RAJENDRA SINGH:

Will the Minister of PORTS, SHIPPING AND WATERWAYS be pleased to state:

पत्तन, पोत परिवहन और जलमार्ग मंत्री

(a) whether the Government has reviewed the progress made towards enhancing India's share in global shipbuilding and ship repair following the announcement of measures under the Union Budget 2025–26 and in alignment with Maritime India Vision 2030 and Maritime AmritKaal Vision 2047;

(b) if so, the details thereof;

(c) whether the Government has taken steps to revamp the Shipbuilding Financial Assistance Policy and to operationalize the proposed Maritime Development Fund with a corpus of Rs. 25,000 crore and if so, the details thereof;

(d) whether the Government proposes to develop shipbuilding clusters in the country with supporting infrastructure, skilling initiatives and technology support; and

(e) if so, the details thereof along with the measurable outcomes achieved in terms of private investment attracted, orders secured by Indian shipyards, employment generated and capacity augmentation in the shipbuilding and ship repair sector during the last two years?

ANSWER

MINISTER OF PORTS, SHIPPING AND WATERWAYS
(SHRI SARBANANDA SONOWAL)

(a) to (e) The Government has reviewed the India's Shipbuilding sector following the announcement of measures under the Union Budget 2025–26 and adopted a 4-pillar strategy to revitalize shipbuilding sector. The Government has accordingly approved a comprehensive package of ₹ 69,725 crore to strengthen domestic shipbuilding capacity, maritime financing and skilling. The key components of the shipbuilding package include:

- i. Shipbuilding Financial Assistance Scheme (SBFAS), an enhancement of Shipbuilding Financial Assistance Policy (SBFAP), with outlay of ₹ 24,736

- crore to address cost disadvantages of Indian shipyards vis-a-vis global shipyards;
- ii. Maritime Development Fund (MDF) corpus of ₹ 25,000 crore for providing long term financing support to shipbuilding and maritime sector comprising a Maritime Investment Fund of ₹ 20,000 crore and Interest Incentivisation Fund of ₹ 5,000 crore;
 - iii. Shipbuilding Development Scheme (SbDS) with ₹19,989 crore outlay to expand Indian shipbuilding output capacity to 4.5 million Gross Tonnage annually by setting up greenfield shipbuilding clusters and capacity expansion of the existing shipyards. These targets have been set to position India as a competitive global shipbuilding force in line with vision contained in Maritime India Vision 2030 and Maritime AmirtKaal Vision 2047 documents.

The scheme guidelines to operationalize SBFAS and SbDS have been issued on 26.12.2025. The guidelines for MDF have also been issued on 20.02.2026.

Further, the Government proposes to develop greenfield shipbuilding clusters under SBDS through a Special Purpose Vehicle (SPV) with 50:50 joint venture arrangement between Central Government and State Government entities. The scheme envisages to provide 100% capital assistance of the cost of eligible items for the approved greenfield shipbuilding clusters. The SbDS also has provision to establish India Ship Technology Centre (ISTC) for overall development of the capabilities of Indian shipbuilding sector including ship design, Research & Development, skill development, software, etc.

From April 2024 to February 2026, in-principle approvals have been given to the tune of about ₹ 1,800 crore of financial assistance for a cumulative vessel value of about ₹ 12,000 crore. Further, given the high employment multiplier of 6.4 in shipbuilding industry, the financial assistance given has catalysed generation of large number of direct as well as indirect employment.
